



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

July 11, 2005

PPL No. 05-009

TO: Local Educational Consortia and
Local Governmental Agencies Coordinators for
Medi-Cal Administrative Activities

SUBJECT: MAA Invoice Variance Documentation

This Policy and Procedure Letter notifies the Local Governmental Agencies (LGAs) and Local Educational Consortia (LECs) of the Medi-Cal Administrative Activities (MAA) of the requirement for the Invoice Variance Documentation. This requirement is effective with the fiscal year 2004/2005 invoices. This new requirement will increase accountability and decrease invoice-processing time.

MAA invoices for each claiming unit are submitted quarterly by the LEC or LGA. When a claiming unit has a 20 percent or greater variance (in dollars) between consecutive quarters, or between the corresponding quarter in the prior fiscal year, the variance must be explained. The variance documentation must:

- Provide a clear explanation as to why the variance occurred;
- Be on LGA/LEC Letterhead; and
- Be signed by the LGA/LEC Coordinator.

Attached is a sample Invoice Variance Documentation form. LGAs and LECs can choose to use their own form. However, the variance must be clearly explained. DHS will not be able to process the invoices that have more than a 20 percent variance between consecutive quarters without an adequate explanation of the variance. The attached sample form is also located on the DHS web page (www.dhs.ca.gov/maa).

Local Governmental Agencies (LGA)
Local Education Consortiums (LEC)
Medi-Cal Administrative Activities (MAA) Coordinators
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If you have any questions concerning this policy, please contact Mr. Fred Chow, Chief, Administrative Claiming Operations Unit, at (916) 552-9618 or by e-mail at FChow@dhs.ca.gov.

Sincerely,

Original Signed by Elizabeth Touhey

Elizabeth Touhey, Chief
Administrative Claiming Local
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Enclosure

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